



Crossroads 2000:

Governor O'Bannon's program for infrastructure investment ends

Since 1998, INDOT has invested almost \$4 billion in preservation and capital improvement projects. Much of that money was invested in constructing new roadways, bridges and interchanges through the late Governor O'Bannon's Crossroads 2000 program.

Crossroads 2000 was unveiled in July 1997 and hailed as the largest capital construction program since the beginning of the interstate system in the 1950s and 1960s.

The program was funded by combining a one-time \$70 million allocation from the state's budget surplus with slight increases in Bureau of Motor Vehicles fees. The revenue generated from the fee increase was then used to secure bonds to build the projects. More than 100 projects were part of the original Crossroads 2000 bonding program.

The money earned through federal and state gas taxes, the traditional sources of highway funding, was used for the preservation portion of the Crossroads 2000 program.

The General Assembly was also instrumental in passing the funding program for Crossroads 2000.

The legislators built in a \$200 million distribution of cash to local municipalities for their road improvement projects.

Notable Crossroads 2000 projects include:

- The Hoosier Heartland Corridor
- I-65/County Line Road interchange construction at the Marion/Johnson county line
- S.R. 69 new road and bridge construction in Posey County
- Added travel lanes on S.R. 23 in St. Joseph County
- S.R. 46 reconstruction in Bartholomew and Decatur counties
- U.S. 231 added travel lanes in Montgomery County
- I-69 added travel lanes in Allen County
- I-65/U.S. 30 interchange modification in Lake County
- I-65 added travel lanes in Clark County

In 2003, a three cent increase in the gas tax was approved by the General Assembly. That year, \$420 million in bonds was issued for projects constructed between 2002 and 2004 in 20 different counties.

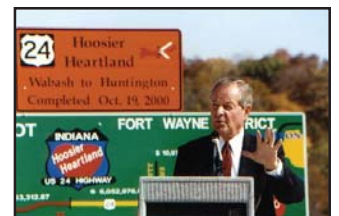
In May 2004, between \$310 and \$350 million in bonds will be issued for projects through the end of 2005. Those bonds will fund the end of the program.

A Champion for Transportation:

Governor Frank O'Bannon (1930-2003)

Governor Frank O'Bannon made investing in and improving Indiana's transportation system a priority from his first day in office. Among his many accomplishments are the establishment of the Crossroads 2000 program, the selection of a preferred alternative for I-69 between Indianapolis and Evansville and the restructuring of federal highway funding.

While Governor Joe Kernan's administration carries on the tradition of advancing Indiana's transportation system, Governor O'Bannon's leadership and vision for INDOT and the State of Indiana will be greatly missed.



Governor O'Bannon speaks at the Hoosier Heartland Corridor ribbon cutting in 2000.



25-Year Long Range Plan

Predicting the future is a difficult task. INDOT's 2000-2025 Long Range Plan provides a vision for the future development of Indiana's state transportation system, focusing on the highway network.

Highway investments are intended to provide Hoosiers the highest level of mobility and safety and to meet the needs of economic development and enhance our quality of life into the next 25 years.

The plan focuses on identifying and prioritizing specific highway expansion projects, defined as improvements that provide additional capacity to a roadway. INDOT strives to coordinate and synchronize these projects, minimizing disruptions to the traveling public.

The Long Range Plan is also intended to provide information for project development on priority highway corridors. These priority corridors will receive roadway improvements to better serve through traffic needs, including improvements to better accommodate truck travel.

In many cases, these corridors will not warrant additional travel lanes due to lower levels of forecasted travel or severe right of way constraints which limit the range of potential improvements. For these situations in areas where expansion would be considered, the plan identifies a proposed roadway improvement concept of updating the existing roadway through resurfacing, restoration, rehabilitation and reconstruction to a higher roadway standard.

The plan also provides guidance in short-range planning through the INDOT Program Development Process, which is conducted jointly with INDOT's districts and the state's Metropolitan Planning Organizations.

While this plan is limited to highway expansion, the major focus of INDOT's highway program is maintaining our existing roads, bridges and traffic control devices.

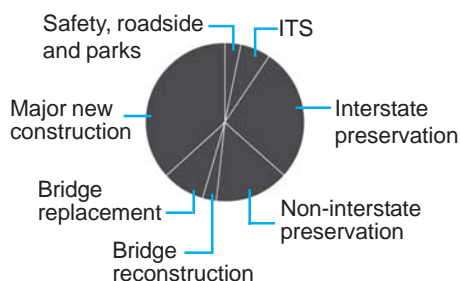
The Multimodal Transportation Plan

The Long Range Plan supplements, but does not replace, INDOT's *Multimodal Plan Development for the 1990s and Beyond*. That plan was adopted by INDOT in December 1994.

That plan outlines nine multimodal issues, that continue to be the basis for transportation planning in Indiana today:

- transportation system effectiveness
- transportation safety
- demographic changes and quality of life
- transportation finance
- intergovernmental coordination
- economic development
- natural environment and energy
- bicycle and pedestrian facilities
- new technology

annual construction investment



Highway Construction Projects: FY 1999-2003 (in millions of dollars)

Category	FY '99	FY '00	FY '01	FY '02	FY '03	FY '04*
Bridge replacement	30.6	23.5	82.1	52.2	19.3	29.5
Bridge reconstruction	51.0	39.6	5.9	32.6	37.1	45.8
Non-interstate preservation	158.8	136.7	271.5	217.3	163.1	213.4
Interstate preservation	126.7	131.0	194.8	118.3	90.5	25.7
ITS	16.3	11.7	1.5	24.3	16.0	9.1
Safety, roadside and parks	40.8	72.3	51.2	57.2	52.0	51.3
Major new construction	265.2	266.1	190.0	145.4	220.6	402.2
Total	689.4	680.9	797.0	647.3	598.6	777.0

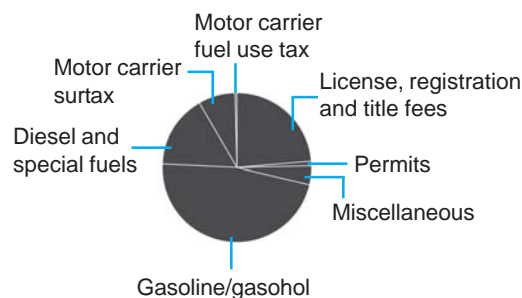
*amounts estimated



fy 2003 transportation revenue analysis

Revenue

	Amount
Fuel Tax Revenue	
Gasoline/gasohol	\$522.5
Diesel and special fuels	\$175.8
Motor carrier surtax	\$88.2
Motor carrier fuel use tax	\$4.5
Total Fuel Revenues	\$791.0
Non-Fuel Tax Revenue	
License, registration and title fees	\$262.8
Permits	\$11.1
Miscellaneous	\$43.8
Total Non-Fuel Revenues	\$317.7
Total Revenues Collected	\$1,108.7



Net expenses

State Police	\$60.8
Bureau of Motor Vehicles	\$48.3
Department of Revenue	\$6.7
Motor Carrier Regulation	\$7.9
Miscellaneous	\$2.3
Total Net Expenses	\$126.8

Revenue for Transportation

To INDOT	\$385.5
To counties, cities and towns	\$596.4
Total Net Expenses	\$981.9

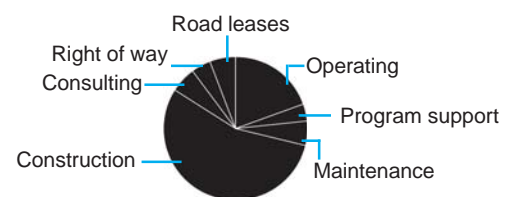
budget by fiscal year

Fiscal Year 2003

Category	Amount	%
Operating	\$237,299,986	18.6
Program Support	\$44,514,629	3.5
Maintenance	\$72,115,722	5.6
Construction	\$754,473,963	59.2
Consulting	\$59,539,612	4.7
Right of Way	\$51,835,224	4.1
Road leases	\$55,048,484	4.3
Total	\$1,274,827,620	100.0

Fiscal Year 2004

Category	Amount	%
Operating	\$253,693,668	17.9
Program Support	\$59,171,356	4.2
Maintenance	\$74,000,000	5.2
Construction	\$777,000,000	54.9
Consulting	\$113,500,000	8.0
Right of Way	\$71,500,000	5.1
Road leases	\$66,400,000	4.7
Total	\$1,279,900,000	100.0



Estimated FY 2004 Budget

Fiscal Year 2005 (estimated)

Category	Amount	%
Operating	\$250,296,370	20.0
Program Support	\$47,168,672	3.8
Maintenance	\$74,200,000	5.9
Construction	\$670,000,000	53.6
Consulting	\$74,000,000	5.9
Right of Way	\$58,300,000	4.7
Road leases	\$76,200,000	6.1
Total	\$1,250,165,042	100.0

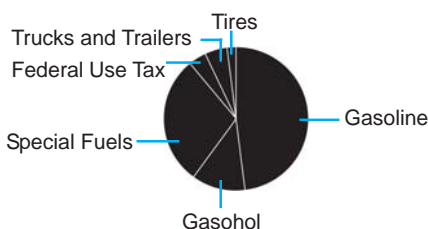


highway trust fund

The Federal Highway Trust Fund (HTF) was created by the *Highway Revenue Act of 1956* to ensure permanent financing for the nation's transportation system. The HTF is financed through a combination of user fees and taxes on heavy vehicle use, truck tires, truck and trailer sales, diesel and special fuel sales, gasohol and gasoline.

The most recent federal highway bill, known as TEA 21, expired on September 30, 2003. In this legislation, the guaranteed return to states was set at 90.5 percent. However, this guarantee only covered 93 percent of the funds distributed. When additional funds (earmarks) were included, Indiana's return was only 89 percent. Indiana's priority for the new bill is receiving a true 95 percent return on all funds distributed to the states.

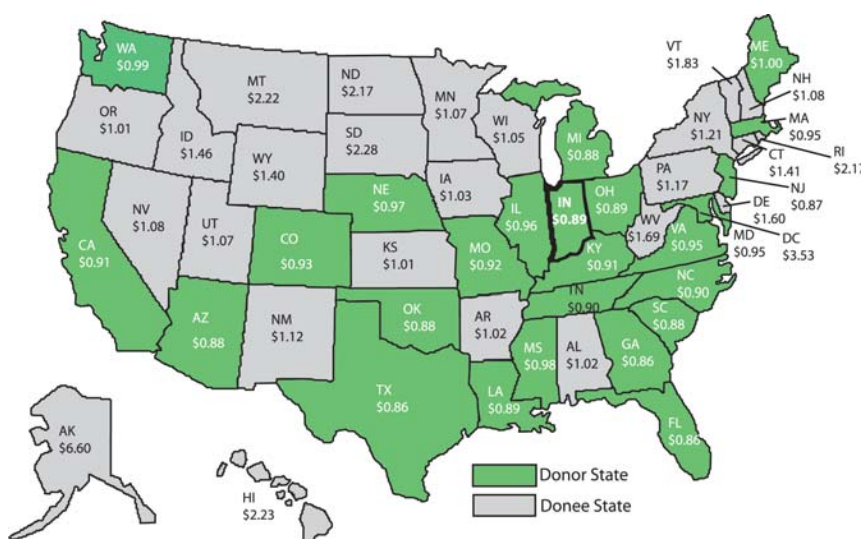
The States Highway Alliance for Real Equity (SHARE) is a coalition of donor states, including Indiana, that have united together to ensure a 95 percent minimum guarantee in the federal highway legislation. Donor states receive less than 100 percent of their contributions to the HTF.



Federal Highway Trust Fund

Category	%
Gasoline	48
Gasohol	12
Special Fuels	29
Federal Use Tax	4
Trucks and Trailers	5
Tires	2
Total	100

FY 2003 true rate of return on contributions to the federal highway trust fund (in millions)



Indiana's need for funding

Federal funding is a major component of each state's budget for road construction, repair and maintenance. It also aids in promoting mobility, improved air quality, job creation and economic development. Investments made by INDOT are critical because:

- Every \$1 billion invested in transportation infrastructure generates more than \$2 billion in economic activity.
- Each \$1 billion invested in building and upgrading the nation's highways reduced highway fatalities by 1,400 and saved the nation over \$2 billion in health care, insurance and lost wages and productivity costs over time.
- Traffic congestion costs motorists more than \$72 billion a year in wasted time and fuel.

- Since 1993, \$4.9 billion in enhancement projects, such as bike paths and the preservation of historic bridges and train stations, have been programmed for almost 15,000 communities.
- Since 1970, the U.S. population has grown by 32 percent, the number of licensed drivers by 64 percent, the number of vehicles by 90 percent and the number of miles driven each year by 131 percent.
- Highway travel is forecasted to increase about 40 percent by 2015.